

OPENING STATEMENT

HR 3763

**Corporate and Auditing Accountability, Responsibility and Transparency Act of
2002**

**Financial Services Committee
Rep. Stephanie Tubbs Jones
Cleveland, 11th District
(Part II)**

Rep. Stephanie Tubbs Jones

Good Morning, Chairman Oxley, Ranking Member LaFalce and Members of this Committee. Mr. Chairman, I ask unanimous consent that my full statement be included in the Record.

Once again we have gathered in this committee for the purpose of delving further into the events that led to the Enron Corporation's sudden filing for Chapter 11 bankruptcy. An event that left millions of investors with unprecedented losses and millions more with questions regarding how this could have happened to such a large company so fast. Although we still require significant inquiry as to who exactly was involved in the debacle and in what capacity, we have learned much about the regulatory environment and inappropriate corporate leeway that was given to Enron and Arthur Andersen in this particular situation. However, make no mistake; many Americans have

paid a significant price for the knowledge that we have gained. The onus now falls on this committee to ensure that what we have learned is used to create an environment where Enron's ordeal can never be repeated.

And what have we learned? We have learned that the danger of inadequate corporate governance is shareholder loss, and that this kind of loss is both unnecessary and unacceptable. We have seen first hand why more stringent regulations with regard to auditor independence are necessary and the dangers of mixing auditing with other corporate services. We now see that a public regulatory board should have a significant role in the general order of the auditing process. And most important, we realize that we do not yet have all the answers to correct a system long overdue to be overhauled.

I must once again thank this esteemed committee for its expeditious and thorough exploration of the issues surrounding the Enron collapse. And again I say that our work is far from over. The Comprehensive Investor Protection Act ("CIPA") as introduced by Ranking Member LaFalce as an alternative to HR3763, will go far to address constituent and investor concerns.

I look forward to the testimony today so that we may continue in our pursuit to ensure that the American people have the objective information needed to make informed investment decisions. Mr. Chairman, I thank you for my time.